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Tucson Electric Power Company

P.O. Box 711, Tucson, AZ 85702
3950 East Irvington Road
Tucson, Arizona 85714

Ed Beck, Supervisor
Transmission Planning and Administration (SC210)

520-745-3276
AZ CORP COMMISSION
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May 3, 2001

Arizona Corporation Commission
Docket Control Center
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
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Attention: M. Nancy Cole, Docket Administrator

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Response to Docket no. E-00000A-01-0120
Biennial Transmission Assessment Report – 2000-2009

Tucson Electric Power (TEP) would like to commend the ACC Staff on their effort in the investigation and preparation of the Biennial Transmission Assessment Report - 2000-2009. Staff did an excellent job identifying and explaining current and future transmission issues affecting the State of Arizona.

TEP, however, would like to take the opportunity to address a few items in the Report needing clarification. In the report, ACC Staff takes the position that TEP's proposed transmission additions are not scheduled to be in-service in a timely manner because TEP is "continuing its practice of depending upon local generation to resolve its deficiency in transmission load serving capability during peak demand periods". Staff goes on to support their finding by referencing an emergency blackout experienced by TEP on June 12, 2000 when a forest fire in New Mexico disrupted service via TEP's 345 kV lines into Vail.

TEP takes exception to the position of staff that TEP's transmission additions are not timely. TEP has undertaken the construction of peaking resources as part of its integrated resource plan in order to meet its obligation to serve load in the most economic fashion. Due to voltage constraint issues on TEP's system local generation has been the more effective solution up to and including the current turbine being built at TEP's Demoss Petrie site. The next increment of system construction that is planned to be constructed to meet load is the Saguaro to Tortolita 500 kV line. This line installation has been timed to coincide with the next capacity requirement of TEP and will add approximately 275mw of import capability to TEP's system. In addition this new line interconnection will also result in additional benefits to TEP's system besides this increase in import capability. This project was intended to be added in TEP's 2001

ten-year plan that was filed in January of 2001. This page was inadvertently left out of TEP's 2001 ten-year plan and TEP will be sending this sheet in to the ACC shortly. This is a new project that had not been identified in TEP's 2000 ten-year plan. This project was added when TEP determined that it had the ability to build this line under an existing contract with APS without impact on TEP two county bonding.

In response to staff's reference to the 2000-forest fire as an indication of transmission inadequacy Staff stated in its report, security of a system should accommodate the loss of a single system component. The forest fire referred to by Staff was actually a situation that would be considered a double contingency that is not something that would be designed to be survived without remedial action. TEP's implementation of remedial action to deal with the fire and resulting outages on its system were determined to be in compliance with WSCC/NERC criteria in a follow up investigation by the WSCC.

TEP understands the importance and relevance of the Biennial Transmission Assessment Report and welcomes the opportunity to participate in its development. TEP will continue to work closely with ACC Staff in an effort to insure Arizona's transmission system adequately delivers and receives energy for the state's retail consumer market. If you have any questions or comments please contact me at 520-745-3276.

Sincerely,



Ed Beck

Supervisor, Transmission Planning and Administration

Cc: Deborah Scott, Arizona Corporation Commission
Jerry Smith, Arizona Corporation Commission
Asher Emerson, Arizona Corporation Commission
Leland Snook, Tucson Electric Power Company